

Social Capital within a Nonprofit Board and Governance Effectiveness

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Abstract

Nonprofit governance models rarely incorporate board intragroup dynamics as a significant factor that influences board performance, despite studies suggesting that such dynamics play a larger role than previously thought (Schoenberg et al., 2016). This paper presents a mixed methods exploratory study examining the quality of board social capital within the largest domestic violence agency in the U.S., and governance effectiveness. The paper draws on the social capital theory of nonprofit governance (Fredette & Bradshaw, 2012), which suggests that the quality of social capital within the board facilitates effective governance. Findings support this theory, and also highlight the critical role of board leadership. This study contributes to the needed examination of the role of social and relational factors on effective nonprofit governance.

Keywords

Nonprofit governance, social capital, boards, board effectiveness, group dynamics.

Introduction

The recent growth in the nonprofit sector in many countries, including the U.S., has been stimulated in part by the outsourcing of public services and the desire of governments to see voluntary and nonprofit organizations play a greater role in public service delivery (Cornforth, 2012). Today, by all accounts, privatization is the norm in the social

Erickson

Relational Social Work

Vol. 5, n. 2, October 2021

(pp. 25-42)

doi: 10.14605/RSW522102

ISSN: 2532-3814

services system in the U.S. (Frahm & Martin, 2009). The increasing significance of the private social services sector and its growing reliance on public funds has also attracted increased scrutiny. In particular, questions around governance arrangements, and whether they are adequate to ensure that nonprofit organizations are effective, responsible, and accountable are of increasing interest in nonprofit research (Cornforth, 2012). Given the fiduciary responsibilities of boards to ensure that governance functions are carried out properly, the main focus of nonprofit governance research has focused on boards.

Despite the steady growth of training programs, consulting practices, academic research, and guidebooks aimed at improving the performance of nonprofit boards, they continue to struggle with the same issues identified decades ago (Jaskyte & Holland, 2015) and are widely regarded as a problematic institution (Ryan et al., 2018). Despite several theories developed over the years to both explain board dynamics, and factors associated with effective nonprofit governance (see Metelsky, 2019 for a thorough review), increasing challenges due to expanding client needs and lower funding require new perspectives and governance practices (Chait et al., 2005; Metelsky, 2019).

This paper provides the findings of a mixed methods exploratory study conducted in one high growth nonprofit agency based in New York City. Based on the success of the agency, as measured by its quick ascent to becoming the largest domestic violence agency in the country, the authors were interested in exploring the quality of social capital and nonprofit governance. Improved understanding of effective nonprofit governance practices will contribute to higher functioning human service agencies. The following section provides an overview of some of the existing challenges with nonprofit governance.

Challenges with Nonprofit Governance

In research as well as practice, the composition of boards, board roles, responsibilities, and effectiveness have emerged as major topics of interest (Donnelly-Cox et al., 2020). Research on nonprofit governance has demonstrated the majority of governance issues stem from three fundamental problems: 1) dysfunctional group dynamics which can present in rivalries or the domination of the many by a few, poor communication, and incompatible chemistry impeding collective deliberation and decision making; 2) disengaged board members who neither know what is going on in the organization or demonstrate much desire to find out; and, 3) most important, board members who are uncertain of their roles and responsibilities (Ryan et al., 2018). Chief executives and board chairs agree that the board has an impact on organizational performance and that two particular board characteristics matter most: the board's understanding of its roles and responsibilities, and the board's ability to work as a collaborative team toward shared goals (BoardSource, 2017). One theory that has been used to explain effective group dynamics and performance is social capital theory (Clopton, 2011; Oh et al., 2004; Oh et al., 2006).

Social Capital and Nonprofit Governance

Social capital can be defined as the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. It is an individual, group, organizational, or community level asset, comprised of both the network of relationships and the assets that may be mobilized through this network (Bourdieu, 1986). Social capital has three components — structural, cognitive, and relational (Nahapiet & Ghoshal, 1998). The structural dimension refers to the ties within a social network that influences how information is shared among members. Cognitive social capital refers to the shared meanings and common values as well as collective goals and a shared vision. Lastly, the relational component of social capital refers to the quality of relationships that contributes to trust among group members leading to successful collaboration.

In examining factors that contribute to social capital, some literature suggests that certain forms of social homophily, contact between people with similarities, is a crucial element in creating social capital (Gaddis, 2012; McPherson et al., 2001). In a seminal study, Lazarsfeld and Merton (1954) found that individuals had more associations based on status homophily (including race) and value homophily (including racial attitudes) than heterophily (i.e., different characteristics and beliefs). Relationships based on racial similarity may be prevalent because racial similarity, and similarity in general, inspire trust, solidarity, reciprocity, and cohesiveness (Bixler & Springer, 2018; Gaddis, 2012). However, there are also potential downsides to high levels of social capital built through group homophily (Bixler & Springer, 2018). Members of a group who share similar views, opinions and capacities, to the exclusion of others with different viewpoints and backgrounds, may struggle with making sound decisions due to a lack of information and exposure to alternative perspectives (Fredette & Sessler Bernstein, 2021; Metelsky, 2019; Oh et al., 2004).

Leadership has also been identified as a factor that impacts the quality of social capital within groups (Balkundi et al., 2011; Carmeli et al., 2009; Linuesa-Langreo et al., 2018), as leadership is a social endeavor, the core of which is facilitating relationships (Van De Valk, 2008). Carmeli et al. (2009) found that leader relational behavior, in which leaders model behavior to encourage collaboration and open communication, thereby cultivating trust in the work environment, contributed to improved staff job performance. In a more recent study, Linuesa-Langreo et al. (2018) examined how servant leadership, which is leadership focused on putting the needs of followers first, rather than one's own (Greenleaf, 1977), led to greater group social capital. These findings suggest that servant leadership positively influences the three dimensions of social capital — structural, cognitive, and relational. Moreover, group citizenship behavior, discretionary behavior to promote effective functioning of the group, partially mediated this effect.

In reviewing various forms of «capital», Chait et al. (2005) submit that nonprofit boards require four types of capital, other than just financial, for effective governance; specifi-

cally, intellectual, reputational, political, and social. «Like a top-notch management team, athletic squad, musical ensemble, or law firm, a board of trustees can translate personal relationships and mutual trust into social capital that stresses personal responsibility, collective industry, and improved performance» (p. 157). Ties between board members are assumed to be an essential mechanism for the negotiation of consensus and order on the board (Fine, 1984); and yet, analysis of these networks has been neglected in board studies (Metelsky, 2019; Stevenson & Radin, 2009). One of the few studies looking specifically at social capital and nonprofit governance was conducted in Canada. Fredette and Bradshaw (2012) found that greater information sharing, sharing a collective vision for the organization, and trust among board members are all positively associated with board social capital, which contributes to effective governance.

Measuring Nonprofit Governance Effectiveness

Despite growing interest in the effectiveness of nonprofit boards to adequately oversee the quality with which nonprofit organizations are delivering on their identified missions, there is a lack of shared definitions and measures of board and organizational effectiveness (Bradshaw et al., 1992; Herman & Renz, 2008; Herman et al., 1997). A common strategy has been to use subjective measures based on self-reports by organizational members, but that approach also has been subject to various limitations and challenges, including the variability in responses by individual respondents (DiMaggio, 2002; Stone & Ostrower, 2007). Furthermore, most studies employ cross-sectional data drawn from survey questionnaires, preventing researchers from determining the direction of causality between board effectiveness, organizational effectiveness, and other variables (Stone & Ostrower, 2007).

More recently, Willems et al. (2017) presented a novel approach to measuring nonprofit governance that focuses on processes outside the boundaries of nonprofit boards. To measure nonprofit governance quality, they used the nonprofit government quality index, developed several years earlier by Willems et al. (2012) that examined the reliability and construct validity for five separate sub-dimensions of governance quality, namely: 1) external stakeholder involvement, 2) consistent planning, 3) structures and procedures, 4) continuous improvement, and 5) leadership team dynamics. Good validity and reliability were found for the separate sub-dimensions of governance quality; however, no sufficient construct validity was found for the combined second-order construct grouping the five dimensions into one single formative latent variable. Thus, the researchers in a more expansive follow-up nonprofit governance study (Willems et al., 2017) looked at the five dimensions separately and concluded that a balanced coalition, represented by a distribution of power among individuals and groups, is likely a strong contributor to high-quality governance.

Nonprofit Governance and Organizational Performance

Surprisingly, little research has tried to investigate the governing board as a group, in relation to organizational performance (Brown, 2005). Several studies, using different types of nonprofit organizations and a variety of definitions and measures of board and organizational effectiveness, have found a relationship between board and organizational effectiveness (Brown, 2005; Green & Griesinger, 1996; Herman & Renz, 2000; Ostrower & Stone, 2006). Green and Griesinger (1996) found a significant relationship between nonprofit board performance and organizational effectiveness when the board engaged in policy formation, strategic planning, program monitoring, financial planning and control, resource development, board development, and dispute resolution. Brown (2005) found that nonprofit board members perceived that interpersonal board competency significantly related to organizational performance, and executives perceived interpersonal and strategic board competencies as significantly related to organizational performance. Ostrower and Stone (2006) identified board composition, the relationship between boards and staff, roles and responsibilities, and board effectiveness as positively impacting organizational effectiveness.

The common assumption is that board effectiveness leads to organizational effectiveness (Herman & Renz, 2008); however, only one study by Jackson & Holland (1998) demonstrated causation. Existing research has found significant relationships between board and organizational effectiveness, but much work remains to establish the nature and causal direction of these relationships (Herman & Renz, 1999; Stone & Ostrower, 2007).

Building upon the research of Fredette and Bradshaw (2012), conducted in Canada, we address a growing call for researchers to explore group social capital (Oh et al., 2004), in generating and sustaining effective nonprofit governance (Pugliese et al., 2015; Van Puyvelde et al., 2018). An exploratory mixed methods study conducted in one nonprofit agency in New York City, which was selected due to its exceptional growth, is presented. The hypothesis is that social capital within the board will be associated with effective nonprofit governance; and qualitative data was collected to complement quantitative findings to provide further insight into the factors contributing to board social capital and governance effectiveness.

Method

Four researchers conducted an exploratory mixed methods study to evaluate the level of social capital within one nonprofit agency board, on whose board one of the researchers serves, and governance effectiveness by board members. Given that the board member-researcher participated in the study, she recused herself from engaging as a researcher in the study's qualitative process. The quality of social capital and governance

effectiveness was measured by administering an online survey and augmented by the gathering of qualitative data through a focus group, interviews, and open-ended questions in the survey from mid-2017 to early 2018.

Design and Sample

The agency selected for this study, the Urban Resource Institute, is the country's largest domestic violence agency. It was founded in Brooklyn, NY in 1980 and between increasing needs for domestic violence and homeless shelter services in the NYC region, and merger with the Center Against Domestic Violence in 2018, has experienced tremendous growth — from \$17.3 million in 2012 to a projected \$93.4 million in fiscal year 2022.

Upon receiving Fordham University Institutional Review Board approval, all 14 Urban Resource Institute board members, active before July 1, 2017 when some Center Against Domestic Violence board members joined to support the expected merger, were invited to participate in the study via e-mail. Two follow-up e-mails were sent to invite them to participate in a focus group or interview, and an online survey. Of the 14 invited members, 83% (n = 12) participated in the qualitative portion of the study, and 67% (n = 8) participated in the online survey, which included the open-ended interview questions for those who were not able to meet the researchers in person. With roots in Brooklyn, NY, board members have historically represented the racial composition of clients served; thus, 57% (n = 4) of online survey participants were African-American, 29% (n = 2) were White, and 14% (n = 1) was Asian (one participant chose not to indicate race). Regarding tenure, 12.5% (n = 1) had served on the board less than one year, 37.5% (n = 3) between one and up to three years, and 50% (n = 4) for three up to seven years.

Measures and Data Analysis

Quantitative

Quantitative data on social capital, and perceived board effectiveness, were captured by adapting previously tested measures by Fredette and Bradshaw (2012). The measure used by Fredette and Bradshaw (2012) to assess social capital was a slightly modified version of an instrument developed initially by Leana and Pil (2006) for use in the educational field. The Fredette and Bradshaw (2012) instrument identified and measured three components of internal social capital — namely Trust, Information Sharing, and Shared Vision. For all the items measuring social capital, a seven-point Likert scale (1 = «strongly disagree» to 7 = «strongly agree») was used to rate the level of agreement.

Trust was operationalized by asking respondents to rate their level of agreement or disagreement with statements such as «Each member can rely on the others they work with on this board», and «Board members in this organization show a great degree of integrity». Information Sharing was measured using six items adapted to emphasize willingness to communicate and exchange ideas, thoughts, and perspectives. Sample items included, «The board members engage in open and honest communication with one another», and «The board members at this organization have no hidden agendas of issues». Shared Vision was measured by asking respondents to rate the degree to which they agree with six statements such as «There is commonality of purpose in the board of my organization», and «There is total agreement on our organizational vision across all members of the board».

Governance effectiveness was measured by a four-item scale previously created and tested by Fredette and Bradshaw (2012) that asked respondents to rate their satisfaction with the overall performance of the board, fiduciary and financial oversight, safeguarding and fulfilling the organization's mission, and providing regular feedback on the performance of the CEO. For ease of response, we decreased the number of response categories from the original ten to a seven-point Likert scale ranging from 1 = «very dissatisfied» to 7 = «very satisfied».

Given the small sample size and general guidelines that Cronbach's reliability analysis is best performed on sample sizes no fewer than 200 (Yurdugul, 2008), no testing of measurement quality was conducted. Additionally, descriptive statistics were used to analyze the quantitative data, and responses to the open-ended questions gathered through the online survey were added to the data gathered through the focus groups and interviews to augment the qualitative results.

Qualitative

The qualitative aspect of this study was conducted by three of the four researchers. Grounded theory was employed to gather data on the quality of internal social capital within the Urban Resource Institute board and perceptions of governance effectiveness. The use of qualitative research methods offers a deeper understanding regarding a given phenomenon, and grounded theory provides a rigorous approach to analyzing qualitative data so that subject matter conceptualizations can be expanded or modified (Corbin & Strauss, 2008).

Given the busy schedules of board members, several data collection methods were offered to maximize the response rate; a focus group that took place during a board retreat in August 2017, an online survey that included open-ended questions, and phone interviews. In all formats, a consistent set of questions were used.

The focus group, interviews, and open-ended questions of the online survey consisted of 10 questions. Questions included, but were not limited to:

- How would you describe your experiences as a URI board member?
- What do you think are the most important dynamics among the board members that facilitate success for the organization?
- What would you describe as the strengths of the current board of directors?
- What would you describe as the challenges of the current board of directors?
- What are the major advantages, if any, that you see in having a board of directors that is majority people of color?
- What are the major disadvantages, if any, that you see in having a board of directors that is majority people of color?

These questions sought to extract information regarding the dynamics within the Urban Resource Institute board, the quality of internal social capital, as evidenced by Fredette and Bradshaw's (2012) constructs on trust, information sharing, and shared vision, and governance effectiveness.

Both the focus group and interviews were audio-recorded. Audio-recordings were transcribed for analysis through an automated transcription service and were reviewed, verified, and revised for accuracy by two researchers. Aligned with grounded theory, three researchers independently coded transcriptions, identified categories, extracted themes, and selected supporting quotes for each theme. Over several conference calls, researchers discussed findings and refined themes from the data. A shared document was created to support each theme with key quotes from the focus group and interview transcriptions, and written feedback to open-ended questions in the online survey.

Results

Quantitative

The results suggest a relatively high level of social capital and associated governance effectiveness. As detailed in Table 1, out of a potential total score of 7, the means and standard deviations for the social capital measure were: Trust, which scored the highest of all the social capital components (M = 6.0, SD = 1.3), Information Sharing (M = 5.2, SD = 1.5), and Shared Vision (M = 5.9, SD = .7). For governance effectiveness the results were: Overall performance of the board (M = 6.3, SD = 1.0), Fiduciary and Financial Oversight (M = 6.3, SD = 1.4), Safeguarding the Organization's Mission (M = 6.4, SD = .9), and Providing performance feedback on the CEO (M = 5.9, SD = 1.7). Additionally, a Summary mean score of governance effectiveness was calculated using all four items (M = 6.2, SD = 1.2).

TABLE 1
Means and Standard Deviations on the Measures of Board Social Capital
and Governance Effectiveness

Scale	<i>M</i>	<i>SD</i>
Board Social Capital		
Trust	6.0	1.3
Information Sharing	5.2	1.5
Shared Vision	5.9	.7
Governance Effectiveness		
Overall performance of board	6.3	1.0
Fiduciary and Financial Oversight	6.3	1.4
Safeguarding Organization's Mission	6.4	.9
Providing Feedback on CEO	5.9	1.7
Summary Governance Effectiveness	6.2	1.2

Note. The maximum score is 7.

A series of Spearman rank-order correlations were conducted to determine if there were any relationships between the three social capital sub-constructs and perceived Summary governance effectiveness. A two-tailed test of significance indicated that there was a significant positive relationship between Information Sharing $r_s(8) = .75, p < .05$, and Shared Vision $r_s(8) = .89, p < .05$ and Governance, however Trust was only approaching significance at $r_s(8) = .69, p = .06$. Thus, the results suggest that Information Sharing and Shared Vision is associated with perceived governance effectiveness, while Trust was not as strong a contributing factor.

Qualitative

Overall, the qualitative results suggest a moderately high level of internal social capital based on the analyzed participant responses. Researchers identified four themes through the focus group, interviews, and responses to open-ended questions. Participants: 1) underscored the positive, collective impact of board member attributes and values on board dynamics; 2) embraced the diversity, in terms of board member skillsets, information sharing, lived experiences, and perspectives; 3) highlighted the contribution of the board chair's leadership attributes to a productive and cohesive board culture,

and 4) expressed shared commitment to the organization and satisfaction with overall governance effectiveness. As demonstrated in the ensuing themes and quotes below, the participants identified key attributes contributing to the quality of internal social capital, and subsequent governance effectiveness.

Theme 1: Participants underscored the positive, trustworthy, collective impact of board member attributes and values on board dynamics. Throughout the data, it was evident that a majority of members respected and trusted other board members, honored members' commitment and dedication to the work, and embraced a culture of information-sharing.

«There's a high level of trust amongst us, and respect. There's integrity...we also have quality discussions and make quality decisions. And that's just the culture that we have here».

«I think overall on the board we have great board members who are committed. I think, again, in general and having respect for and listen for which is very important in order to have a functional board. So, we encourage collaboration and hearing other people's opinion».

«People are committed; people work. I have seen some boards that have a lot of slackers. That is not the case here. And for the most part, everyone feels respected which is important. [We] genuinely want to work as a team».

Another participant spoke candidly about their initial experience with the board, including the quality of information sharing and support from other members.

«Very positive. [I was] thrown into issues where I wish I had more information but someone is always willing to help».

Theme 2: Participants embraced the diversity, in terms of board member skillsets, lived experiences, and perspectives, on the board. Participants acknowledged and embraced each other's strengths and contributions on the board.

«We pride ourselves on being very diverse».

«Our ability to get along [is] because everybody values other people's opinions... they bring something different».

«We are all here because we all have different skills».

«Everybody has a strength they bring».

The majority of the Urban Resource Institute board members are people of color. And given prior research suggesting that status homophily may contribute to social capital,

the study explored if race played a factor in the quality of board interactions. Based on the majority of the participant responses, members did not feel that race contributed to the board dynamics.

«I do not know if color comes to play here. It shouldn't».

«I don't think it applies here».

However, one participant acknowledged race as a factor of relatability and common understanding among members.

«I believe because we are a board comprised of predominantly people of color, we relate better with each other».

Other participants added gender as a factor for consideration:

«I don't think that's an issue. The color part is not an issue. Now women. All of us have the same needs and desires and we all come with a passion because we're women. And women always want to help. It's our nature. And if you don't have a woman in the mix, it's not gonna work».

«And I think that what we have is that the board of this composition dealing with this situation because we do have so many women of color that have connections in the community with other women of color...».

«I think a great deal of our clients are women. I mean, you can't ignore the fact that I think and again I don't know the exact statistical numbers, but most of the people I talk to in the shelters are in large part women».

Theme 3: Participants underscored satisfaction towards the contribution of the board chair's leadership attributes and performance as a contributor to a productive and a cohesive board culture.

«I think that [the board chair] is an effective board leader. And I think that leadership makes a big difference in how we operate, the culture we have, you know we talked today, in today's meeting about this. I think we have a lot of strengths, you know. That kind of identifies the individuals we have».

«I think he's engaging. I think he's a strong listener. I think he's a clear leader. I don't think he shies away from challenging discussions that we as a board need to have in order to be effective. I think he's trustworthy and he hand-picked all of us. He's very thoughtful about who he recruits to the board».

«[The board chair] pretty much... hand-picked each one of us. So certainly, there has to be a connection between and each one of us. A certain synergy, and I think that's what makes it work».

«He is a doer. You see his hard work and the fact that he creates a safe and comfortable space. And he really not only cares about each one of us, but the organization».

«We are fortunate enough to have an effective leader who is very competent to lead the board. He understands the organization very well, he is organized, knowledgeable with board protocol and, an effective communicator».

Theme 4: Participants expressed a shared commitment to the organization and satisfaction with board governance.

«The meetings, whether it's a board meeting, committee meetings, or how we interact with at public functions, is extremely efficient and very professional».

«Dedication [of members] to the organization is what partially makes things so successful and helps the board to function».

«Each of the committees are very strong. When I say strong, they (members) have the skill set to really lead those committees. Which is important. You have some board members who try to draw out other people's strength and try to bring them into the group».

«I think at the committee level, we have very strong leaders leading, and because we have strong leadership...».

The themes represented the majority of responses provided by the participants; however, there were a few dissenting opinions. These participants expressed some concerns regarding board dynamics and optimal utilization of board members' skillsets. Data to substantiate these findings are not included, given that the researchers were not able to obtain consent to publish specific quotes of those with dissenting views.

Discussion

Study findings suggest that the presence of internal social capital has a positive and direct impact on nonprofit board governance, and this particular board's confidence in their ability to govern the Urban Resource Institute. Both the quantitative and qualitative data suggest the presence of various attributes and dynamics on the board that contribute to effective governance, a factor vital to the success of a nonprofit organization.

Quantitative data reflected relatively high ratings on board members' level of trust, sharing of information, and collective vision. When asked about their overall performance, financial oversight, ability to protect the organization's mission, and feedback to the CEO, members consistently rated the board favorably. The data also implied that the board's ability to share information and their collective vision for the organization had a positive relationship to their overall ability to govern the organization.

Moving from attributes to experience, the qualitative study found that the Urban Resource Institute board members have a shared appreciation of each other's abilities and histories. Four themes emerged from the qualitative data: the positive impact of board member attributes, the diversity of board member skill sets, the effective leadership of the board chair, and overall satisfaction with the quality of board governance. Members were perceived as hard-working, efficient, and respectful of one another. Board members were proud of the diverse backgrounds of their colleagues, both in their array of skillsets and perspectives, and found the board chair an effective leader who sought out board members with intention and facilitated board cohesion.

An unexpected and informative finding was the suggestion that gender, rather than race, might be a contributing factor to successful board dynamics and related quality of governance.

In addition to building upon findings by Fredette and Bradshaw (2012) providing further evidence that internal social capital may contribute to effective governance, this study illuminates a pathway by which social capital may be developed on a board. Qualitative findings suggest that senior board leadership plays a key role in selecting board members with diverse backgrounds, a variety of skillsets, and an ability to respect others' contributions, leading to high trust. This finding may be reflective of the strength of the group dynamics of the board, both in members' appreciation for the intellectual contributions of others, as well as sensitivity to social relations (Folgheraiter & Raineri, 2017).

Given other research that suggests that homophily leads to increased trust, it is interesting that the diversity of background and skill sets did not seem to negatively impact the quality of trust. Perhaps the board chair's ability to select members who bring diverse skills and backgrounds, as well as high emotional intelligence to collaborate well with others, is a critical contributing factor to this particular board's effectiveness. Or was it that the collective group's commitment to the agency's mission overrode any personal «discomfort» with heterophily that may have existed otherwise?

Much continued research is needed to better understand the complexities of board composition and dynamics, and how that may affect the success of their governance. Future studies could, for example, include a larger sample of agencies with feedback obtained from senior agency leadership and key community stakeholders to more accurately measure the quality of board governance. Additionally, future studies could delve further into demographic factors, such as gender, and specific board leadership and board member technical and interpersonal skills that contribute to «effective» boards. With increasing demands being placed on human service agencies providing much needed services to marginalized and displaced populations, investigating contributing factors to effective board governance stands to have a profound impact on service provision for those in need.

Limitations

There are several limitations present in this study. First, the study was cross-sectional, conducted with only one agency, and included self-reports of board effectiveness. Thus, findings may be unique to this agency, reflective of the agency's developmental stage, somewhat biased, and not generalizable to the nonprofit community as a whole. Additionally, there was no normative data available for the measures used in the study.

Convening and analyzing a focus group also has inherent limitations. Scheduling availability prevented all Urban Resource Institute board members from being present at the focus group. Also, by hosting a focus group, there is the potential for research reactivity, or the influence of the researcher and other board members on the focus group discussion, as well as confirmation bias, whereby members may not want to discuss or acknowledge the board's negative aspects among colleagues.

Additionally, not all board members who missed the focus group were available for interviews. This could contribute to a less than complete scope of the board's opinions and experiences in a study specifically designed to learn about board internal social capital.

Implications for Practice

Given the increasing demands placed on nonprofit organizations to meet the ever-rising complex challenges of clients in need of services, it is imperative that, as fiduciaries, nonprofit boards look for ways to maximize their effectiveness in providing strategic leadership to the organizations whose well-being is entrusted to them. As articulated by Renz (2007), «Strategy is the process of selecting among alternative courses of action, using the chosen goals and outcomes as the basis for the selection, and implementing these strategies to achieve these results and outcomes» (p. 2). Ideally, this process is carried out through the coordinated collaboration of a dedicated group of qualified board members who understand the work the organization is undertaking and the clients it serves, and bring the requisite knowledge and skillset to make wise decisions.

The findings of this study suggest that nonprofit boards can benefit from being thoughtful about who is invited to join the board. Ideally, board members will bring a diverse, relevant and complementary skillset to share information and varying perspectives that contribute to sound decision-making. The use of board skillset matrices may be a valuable tool for boards to assess how well this need is being met (Meier, 2019, p. 106).

Not only is it critical to have board members with the requisite backgrounds and expertise, but the competence of the board chair is critical to sound governance practices. Board members and Executive Directors/CEOs may seek to identify an individual who has a clear understanding of and ability to articulate the role of the board and its members, and who also recognizes the importance of building social capital. Best board practices

make clear that the role of the board goes well beyond raising financial resources for the long-term viability of an organization, to encompass monitoring the priorities and direction of the organization and building and protecting all its resources — financial, human, intellectual and reputational (Chait et al., 2005).

The best nonprofit boards develop a culture that seeks a more comprehensive understanding of issues, welcomes diverse thoughts, and allows pushback on long-held assumptions. Such boards encourage all voices to be heard and see value in learning from differing perspectives. They have confidence that this kind of culture will lead them to better decision making on behalf of the organization's mission. But achieving such a culture is not easy and requires support from both board and staff leadership. In the boardroom, there must be a high degree of trust and respect and a common understanding of why the board has intentionally recruited people who don't all think alike. A board must do more than simply elect a diverse group; it must help all members feel welcome, included, and respected (Meier, 2019). Staff leadership needs to encourage questions from board members, engage in conversation, and respond to requests for more information, as well as alter direction based on board input.

Board chairs may want to periodically ask for feedback from individual board members on if they understand their role on the board, if diverse perspectives are being shared in board meetings, how well they feel they are able to share their perspective and have other members consider their contribution, and believe that wise decisions are being made based on the input from all on the board. One excellent assessment that may be considered is the Quick Board Self-Assessment (Nonprofit Network, 2019) that provides scores on dimensions of board Diversity and Inclusion, Structure, Board Recruitment, Governance, Board/ED Relationship, Fundraising, Financial Oversight, Culture, and Planning. This information may be used to make course corrections, if necessary. Additionally, the board chair may allocate time in the board retreats, or at some other time, for informal gatherings of board members so that they may get to know each other personally and build relationships.

Much continued research is needed to better understand the complexities of board composition and dynamics, and how that may affect the success of their governance. Perhaps future studies could include a larger sample of agencies, could obtain feedback from senior agency leadership, as well as key stakeholders in the community, to more accurately measure the quality of board governance, as well as delve further into demographic factors, such as gender, and specific board leadership and board member technical and interpersonal skills that contribute to «effective» boards. With increasing demands being placed on human service agencies that provide much needed services to marginalized and displaced populations, investigating contributing factors to effective board governance stands to have a profound impact on service provision for those in need.

Disclosure Statement

No potential conflict of interest was reported by the authors.

Acknowledgment

We extend our gratitude to the board members of the Urban Resource Institute who took time out of their busy schedules to provide valuable information without which this study could not have been conducted.

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